

**Before the  
Federal Communication Commission  
Washington, D.C. 20554**

<b>In the Matter of</b>	)	
	)	
<b>Sandwich Isles Communications Inc.</b>	)	<b>CC Docket No. 96-45</b>
	)	
<b>Petition for Waiver of the Designation of</b>	)	
<b>“Study Area” Contained in Part 36,</b>	)	
<b>Appendix-Glossary and Sections 36.611,</b>	)	
<b>And 69.2(hh) of the Commission’s Rules</b>	)	

**Comments In Support Of The Petition For Waiver Filed By  
Sandwich Isles Communications Inc.**

**By:  
Fred Williamson and Associates, Inc. (“FW&A”)**

### Comments

FW&A is a consulting firm located in Tulsa, Oklahoma that represents small rural Incumbent Local Exchange Carriers (ILECs) that operate in Kansas and Oklahoma. FW&A is participating in this proceeding because of the negative public interest consequences that will occur if the Commission does not grant the petition sought by Sandwich Isles Communications, Inc. (Sandwich Isles).

Sandwich Isles is petitioning the Commission to “...reestablish its study area as the Hawaiian Home Lands and grant related rule waivers necessary to allow it to receive Interstate access and universal service support based on its own costs.<sup>1</sup> FW&A supports the petition of Sandwich Isles because granting the petition and waivers sought by Sandwich Isles will serve the public interest for the following reasons:

1. Sandwich Isles was issued an exclusive license by the State of Hawaii, Department of Hawaii Home Lands (DHHL) on May 9, 1995 to provide telecommunications services on the trust lands that the DHHL administers.<sup>2</sup> As the DHHL observes, prior to issuing the license to Sandwich Isles, there were many persons (beneficiaries) living on the Hawaiian Home Lands (HHL) “...that did not have phone service due to the high cost either they or DHHL would have to pay to install the infrastructure. Today these beneficiaries enjoy the same service that is available in urban areas.”<sup>3</sup> Further, the DHHL notes that Sandwich Isles has been able to provide the telecommunications infrastructure and services without contributions in aid of construction from either DHHL or its beneficiaries and that this “...has allowed DHHL to

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<sup>1</sup> Petition of Sandwich Isles in CC Docket No. 96-45 dated December 27, 2004, page iii.

<sup>2</sup> Id., Appendix D.

<sup>3</sup> Id.

utilize funds it previously would be required to spend to install communications infrastructure to fulfill our mission.”<sup>4</sup>

Based on the DHHL’s license, Sandwich Isles is the incumbent local exchange carrier in the HHL area administered by the DHHL.<sup>5</sup> Sandwich Isles, in accordance with the requirements of the Communications Act,<sup>6</sup> Section 254(b)(3), is providing access in rural and high cost areas that are comparable to those provided in urban areas. Clearly, and at odds with the situation that existed prior to the license granted to Sandwich Isles by the DHHL, the services provided by Sandwich Isles are meeting the Act’s universal service requirements and are serving the public interest. Additionally, the public interest is being served because the DHHL is able to utilize resources that would otherwise be spent on telecommunications, on providing services to the residents of the HHL.

2. Since it was granted a license by the DHHL, Sandwich Isles has invested large amounts of capital, constructed a state of the art network and extended service to new subscribers and communities, many of which did not previously have service. Sandwich Isles plans to provide local service and high-speed Internet service to all HHL communities and to link all of the communities together.<sup>7</sup> These Sandwich Isles’ construction and service plans are what Section 254 of the Act contemplated and are in the public interest. Sandwich Isles is providing (a) Quality service at just, reasonable and

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<sup>4</sup> Id.

<sup>5</sup> Sandwich Isles has been granted the exclusive right to provide telecommunications service in the HHL areas by the DHHL based on the best interests of the public in the HHL. Previously, the incumbent provider in other Hawaiian Island service areas (a) Conditioned their willingness to provide service to the HHL areas in their local tariff based on the economics of building facilities, (b) Provided largely multi-party service when service was provided to HHL areas, and (c) Often required large contributions in aid of construction from HHL customers. The DHHL correctly decided that such service was not in the public interest (and is at odds with Section 254 of the Act) and licensed Sandwich Isles to exclusively provide service, as the incumbent telephone company, in all of the HHL areas.

<sup>6</sup> Communications Act of 1934, as amended by the Telecommunications Act of 1996.

<sup>7</sup> Petition of Sandwich Isles in CC Docket No. 96-45 dated December 27, 2004, pages 19 and 20.

affordable rates, (b) Access to advanced services, and (c) Access to basic and advanced services that are comparable to those available in urban areas. The modern communications infrastructure being deployed by Sandwich Isles will aid in the economic development of the rural HHL service area and will help realize the goal of providing an opportunity for native Hawaiians to establish a homeland. Without the substantial investment of Sandwich Isles, these Act requirements and public interest benefits would not be met in the HHL service area.

3. Sandwich Isles has demonstrated that the result of granting its Petition will not have an adverse impact on the Universal Service Fund. Sandwich Isles' universal service funding will be less than four-tenths of one-percent based on first quarter of 2005 projections.<sup>8</sup>

The Commission should, on an expedited basis, grant the petition and related waivers requested by Sandwich Isles. Such an Order by the Commission is clearly in the public interest, is in the interest of the native Hawaiians that live in the HHL and will allow the fulfillment of the universal service requirements of Section 254 of the Act. Failure by the Commission to grant the petition and waivers sought by Sandwich Isles, would cause severe economic harm to (a) Sandwich Isles by eliminating most of its access and universal service support revenues, which could put loans relying on those revenues at risk, and to (b) Customers in the HHL, because rates for these customers would need to be increased to unaffordable levels (at odds with Section 254 of the Act) to attempt to replace the lost revenues.

Because it is clearly in the public interest, FW&A urges the Commission to quickly grant the Sandwich Isles petition and related waivers.

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<sup>8</sup> Id, page 18.

Respectfully submitted by,

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